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Russian Federation Livestock and Products Russia Increases Import Quota for Pork 2007

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Report Highlights:

Russia recently introduced changes to the customs tariff code by including sub-categories for pork trimmings and increased the pork tariff rate quota by 26,500 metric tons above the previously set amount. Import duties for pork trimmings are set at 15 percent, but not less than 0.25 Euros/kg. The Ministry of Economic Development and Trade will issue licenses as of June 10, 2007, to importers that purchased pork during the previous year. This change will increase the U.S. share of the pork quota by approximately 2,700 MT each year until 2009.

Includes PSD Changes: No Includes Trade Matrix: No Unscheduled Report Moscow [RS1] [RS]

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Executive Summary

Russia introduced changes to the customs tariff code and to resolution No. 732 by including sub-categories for pork trimmings 0203 29 550 2 and 0203 29 900 2, and increased the tariff rate quota by 26,500 MT above the previously set amount for 2007-09. This change will increase the U.S. share of the pork quota by 2,700 MT for 2007, 2008 and 2009.

The term "trimmings" denotes minor pieces of boneless, skinless meat with fat tissue not exceeding 70 percent. Trimmings are obtained as the result of cleaning, cutting or deboning, and are intended for industrial use purposes. The term does not cover small pieces of natural boneless meat or semi-finished items (convenience foods) that can be used as food directly after thermal treatment.

Import duties for pork trimmings are set at 15 percent, but not less than 0.25 Euros/kg. The Federal Customs Service shall carry out customs clearance for trimmings provided they are accompanies with valid veterinary certificates from countries of origin.

The Ministry of Economic Development and Trade (MEDT) will issue licenses from June 10-December 31, 2007 to importers that purchased pork during the previous year. These licenses will allow imports of all of commodities indicated in position 5 of Attachment N1 in the resolution and will be allocated based on the annual volume of pork brought in by each participant during the previous calendar year. Importers from the European Union, the United States and Paraguay will be issued licenses for trimmings after the entire volume of commodities indicated in position 3 of attachment 1 to this resolution are issued.

Text of the Resolution Dated May 5, 2007

[Unofficial Embassy Translation] Begin text:

"On Introducing Changes into the Customs Tariff of the Russian Federation and into the Resolution of the Government of the Russian Federation dated December 5, 2005, Number 732"

Resolution of the Government of the Russian Federation dated May 5, 2007, Number 263

The Russian Government decrees:

- 1. To introduce the following changes into the customs tariff of the Russian Federation, adopted in the Russian resolution dated November 27, 2006, Number 718 "On the Customs Tariff of the Russian Federation and the Commodity Nomenclature Used when Exercising External Economic Activity" (collection of the legislation of the Russian Federation, 2006, Number 50, Article 5341):
 - ?) To exclude from the commodity nomenclature of the external economic activity of the Russian Federation ("TN-VED") certain sub-items in accordance with Attachment 1
 - b) To include in the commodity nomenclature of the external economic activity of the Russian Federation ("TN-VED") certain sub-items in accordance with Attachment 2
- 2. To use the following version for the additional <u>note 2</u> of the Russian Federation relating to group <u>02</u> of the commodity nomenclature of the external economic activity of the Russian Federation ("TN-VED")

- a. In the commodity position 0203:
 - i. The term "trimmings" denotes minor pieces of boneless meat with fat tissue content not exceeding 70% mass, without the skin, that is obtained as the result of cleaning, cutting, or de-boning and is intended for industrial use. This term does not cover small pieces of natural boneless meat or semi-finished items (convenience foods) that can be used as food directly after additional thermal treatment.
- b) into the following sub-items <u>0203 11 100 1</u>, <u>0203 11 900 1</u>, <u>0203 12 110 1</u>, <u>0203 12 190 1</u>, <u>0203 12 900 1</u>, <u>0203 19 110 1</u>, <u>0203 19 130 1</u>, <u>0203 19 150 1</u>, <u>0203 19 550 1</u>, <u>0203 19 590 1</u>, <u>0203 19 900 1</u>, <u>0203 21 100 1</u>, <u>0203 21 900 1</u>, <u>0203 22 110 1</u>, <u>0203 22 190 1</u>, <u>0203 22 900 1</u>, <u>0203 29 110 1</u>, <u>0203 29 130 1</u>, <u>0203 29 150 1</u>, <u>0203 29 550 1</u>, <u>0203 29 550 2</u>, <u>0203 29 590 1</u>, <u>0203 29 900 1</u> and <u>0203 29 900 2</u> the commodities are included with the total volume being brought into the Russian Federation in 2007. This constitutes 484.8 thousand tons (provided there exists a license issued by the competent authority), including the commodities from the following countries:

Members of the European Union - 244.9 thousand tons United States - 49 thousand tons Paraguay - 1 thousand tons Other countries - 189.9 thousand tons

- 3. For sub-items 0203 29 550 2 and 0203 29 900 2, trimmings are included with the total volume being brought into the Russian Federation in 2007. This constitutes 26.5 thousand tons in addition to the total volume indicated in item "b" of this additional note (provided there exists a license issued by the competent authority).
- 4. To approve the rates attached for the import customs duties.
- 5. The Federal Customs Service shall carry out the customs clearance for the trimmings (code of the commodity nomenclature of the external economic activity of the Russian Federation ("TN VED") 0203 29 550 2 and 0203 29 900 2), provided there exists a valid veterinary certificate from the country of origin confirming compliance and the trimmings complies with item "B" of the additional note 2 of the Russian Federation relating to group 02 of the Commodity nomenclature of the external economic activity of the Russian Federation.
- 6. The following changes are introduced into the Resolution of the Government of the Russian Federation dated December 5, 2005, N 732 "On Importing Beef, Pork and Poultry Meat in 2006 2009" (Collection of the legislation of the Russian Federation, 2005, N 50, article 5317; 2006, N 50, article 5341; N 52, ??. 5594; 2007, N 4, article 522):
 - ?) in item 4, sub-item "?," the words "indicated in Attachment N 1" shall be substituted with the words "indicated in positions 1 4 of Attachment N 1"
 - b) the following sub-item "e" shall be added to item 4: from June 10 to December 31, 2007 licenses to import into Russia in 2007 of 100% of the commodities indicated in position 5 of Attachment N 1 to this Resolution will be issued to importers that brought in pork during the preceding year in compliance with the customs requirements. The volume will be distributed pro rata in accordance with the annual volumes of pork that were brought by these participants into Russia from January 1 to December 31 of the preceding year, excluding pork originating from and brought in from CIS participants. Members of the European Union, United States and Paraguay

will be issued licenses for trimmings after licenses to bring in 100% of the volume of commodities indicated in position 3 of attachment 1 to this resolution are issued.

- ?) Attachment N 1 to the resolution mentioned
 - a) Position 5 shall be added "5. Trimmings (code of the commodity nomenclature of the external economic activity of the Russian Federation (TN VED) 0203 29 550 2 and 0203 29 900 2) all countries 26,5 28 29,7".
 - b) In the note, the words "in accordance with the established procedure, it can be increased for pork trimmings in the volume of 25 30 thousand tons annually" shall be substituted with the words "in 2007-2009, do not take into account the additional volume of trimmings indicated in position 5 of this list."
- 7) In position 3 of Attachment 2 to the resolution, after the words "Fresh pork, cooled pork or frozen pork" the following shall be added: "including trimmings."

This Resolution shall come into force one month after the date of its official publication.

Chairman of the Government M. Fradkov

Attachment N 1 - Sub-items that are excluded from the commodity nomenclature of the external economic activity of the Russian Federation ("TN-VED")

Code of the commodity nomenclature of the external economic activity of the Russian Federation ("TN VED")	Title of the position	Additional measurement unit
0203 29 550 9	other	-
0203 29 900 9	other	-

Attachment N 2 - Sub-items that are included into the commodity nomenclature of the external economic activity of the Russian Federation

Code of the commodity nomenclature of the external economic activity of the Russian Federation ("TN VED")	Title of the position	Additional measurement unit
0203 29 550 2	trimmings in the volume (quantity) and in compliance with the procedure indicated in the additional note 2 of the Russian Federation to group 02	-
0203 29 550 8	other	-
0203 29 900 2	trimmings in the volume (quantity)	-

	and in compliance with the procedure indicated in the additional note 2 of the Russian Federation to group 02	
0203 29 900 8	other	-

APPROVED

Resolution of the Government of the Russian Federation dated May, 5, 2007, N 263

Rates for Customs Duties

Code of the commodity nomenclature of the external economic activity of the Russian Federation ("TN VED")	Title of the position *	Import customs duty rate (in percent from the customs value either in Euros or in U.S. dollars)
0203 29 550 2	trimmings in the volume (quantity) and in compliance with the procedure indicated in the additional note 2 of the Russian Federation to group 02	15, but not less than 0.25 Euros/kg
0203 29 550 8	other	60, but not less than 1 Euro/kg
0203 29 900 2	trimmings in the volume (quantity) and in compliance with the procedure indicated in the additional note 2 of the Russian Federation to group 02	15, but not less than 0.25 Euros/kg
0203 29 900 8	other	60, but not less than 1 Euro/kg

For the purposes of applying the rates for the import customs duties, the commodities are determined exclusively by the codes of the commodity nomenclature of the external economic activity of the Russian Federation (TN VED). Commodities titles are given here for convenience.